

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Greeley Post Office
Greeley, Iowa 52050

Docket No. A2012-65

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 6, 2012)

On November 14, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked October 28, 2011, from postal customer Genny Bennett, representing Oneida Nameplate Co., Inc. (Petitioner) objecting to the discontinuance of the Post Office at Greeley, Iowa. On November 30, 2011, the Commission issued Order No. 1007, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On December 20, 2011, the Petitioner filed a Participant Statement. The Commission received no written communications from other customers of the Greeley Post Office. In accordance with Order No. 1007, the administrative record was filed with the Commission on November 29, 2011.

The appeal received by the Commission on November 14, 2011, raises a single concern about the provision of Express Mail service. As reflected in the administrative record of this proceeding, the Postal Service considered this issue. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other issues, including the impact

¹ See 39 U.S.C. 404(d)(2)(A).

upon postal employees. Accordingly, the determination to discontinue the Greeley Post Office should be affirmed.

Background

The Final Determination To Close the Greeley, IA Post Office and Extend Rural Route Service (FD), as well as the administrative record, indicate that the Greeley Post Office provides EAS-11 level service to 85 Post Office Box customers, no general delivery customers, and retail customers 33 hours per week. FD at 1; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.² The postmaster of the Greeley Post Office was promoted on January 1, 2010.³ A noncareer postmaster relief employed by a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the Postal Service will try to place the noncareer OIC in a position at another Post Office where her experience is needed. If this not possible, she may be separated from service.⁴ The average number of daily retail window transactions at the Greeley Post Office is 43. Revenue has generally been declining: \$40,659 in FY 2008; \$37,754 in FY 2009; and \$36,981 in FY 2010.⁵ The Greeley Post Office has no meter and no permit customers.⁶

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery to cluster box units administered by the Dyersville

² In these comments, specific items in the administrative record are referred to as "Item ____."

³ Item No. 18.

⁴ Item No. 15; Item No. 25, p.5, concern #40.

⁵ Item No. 18.

⁶ Id.

Post Office,⁷ an EAS-18 level office located 20 miles away, which has 90 available Post Office Boxes.⁸

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Greeley Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Greeley Post Office. Questionnaires were also available over the counter for retail customers at Greeley.⁹ A letter from the Manager of Post Office Operations, Cedar Rapids, IA was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Greeley Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Dyersville Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.¹⁰ The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Greeley Post Office for a

⁷ The Greeley Post Office is not a candidate for discontinuance in the Retail Access Optimization Initiative.

⁸ Item No. 18.

⁹ FD at 1; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Greeley Post Office, at 1.

¹⁰ Item No. 21.

community meeting on May 23, 2011,¹¹ to answer questions and provide information to customers.¹² Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Greeley, Dyersville, and Edgewood Post Offices from July 5, 2011 to September 5, 2011.¹³ The FD was posted at the same Post Offices starting on October 3, 2011 and ending on November 4, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, a declining workload, declining revenue,¹⁴ the variety of delivery and retail options,¹⁵ no expected growth in the area,¹⁶ minimal impact upon the community, and the expected financial savings,¹⁷ the Postal Service issued the FD.¹⁸ Although not without some disadvantages to individual customers, regular and effective postal services will continue to be provided to the Greeley community in a cost-effective manner upon implementation of the final determination.¹⁹

¹¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

¹² Item No. 24.

¹³ Item No. 32.

¹⁴ Item No. 18.

¹⁵ Item No. 33.

¹⁶ Item No. 16.

¹⁷ Item Nos. 17, 18, and 33.

¹⁸ FD at 7-9.

¹⁹ FD at 1.

Petitioner's Reasons for Appeal

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Greeley Post Office on postal services provided to Greeley customers. The closing is premised upon providing regular and effective postal services to Greeley customers.

The Petitioner raises the issue of the effect on postal services of the Greeley Post Office's closing, noting that her company will no longer be able to conveniently present Express Mail for acceptance at the Greeley Post Office. The Petitioner operates an internet-based business, Oneida Nameplate Co., Inc., that provides jewelry engraved with medical alerts which are useful to their wearers in medical emergencies. The Petitioner's website, www.oneida-medical-jewelry.com, advertises that "orders for engraved products are processed and sent either the same day or the next." The website also encourages its customers to compare its shipping fee of \$2.00 for First-Class mail service with its competitors, and customer testimonials confirm that Petitioner's customers are pleased with this low-cost alternative for delivery. Petitioner also offers priority and express shipment for higher fees.

Item 22 of the administrative record demonstrates that of the 227 questionnaires distributed to delivery customers, 74 were returned with responses. Of those responses, only the Petitioner indicated using the Greeley Post Office for Express Mail service on a daily basis. One other customer indicated using the Greeley Post Office for Express Mail service on a weekly basis. The vast majority, 50 customers, responded that they never used the Greeley Post Office for Express Mail service or

used it only yearly or once in a while. The Petitioner acknowledges also using the Manchester Post Office, which is 13 miles away from Greeley,²⁰ but indicates a preference for the Greeley Post Office because “there’s hardly ever a time one has to wait for service.”²¹

Ironically, the very advantage that the Petitioner values in the Greeley Post Office is one of the most persuasive reasons to discontinue service there in favor of providing it from another location: The Greeley Post Office only averages 43 window transactions in its 6.5 hours of daily retail operation.

The daily volumes of mail also indicate that the Petitioner’s reason for appealing the discontinuance of the Greeley Post Office is an individual concern, rather than a community concern. As noted on the PS Form 4920,²² daily volumes dispatched from the Greeley Post Office include only three parcels and one “other” item, which could be an Express Mail item. The items dispatched from this post office are primarily First-Class items, which make up 151 of the 171 items typically dispatched on a daily basis.

The Petitioner, on PRC Form 61, objects to the closing of the Greeley Post Office on the basis that Express Mail overnight delivery is a guaranteed service. The Postal Service does not, however, guarantee that there will be a location at which Express Mail can be deposited in every community. Express Mail Next Day Delivery is available at designated USPS facilities, designated Express Mail collection boxes, or through Carrier Pickup or Pickup on Demand service, for overnight service to designated 3-digit

²⁰ Source: Mapquest search for directions from Greeley, IA to Manchester, IA.

²¹ Item 22, p.68C.

²² Item 18; newspapers account for 15 of the 171 average items dispatched daily.

or 5-digit destination ZIP Code delivery areas, facilities, or locations (Post Office to Addressee Service). Next Day Delivery is not available at or between all Post Offices or at all times of deposit. Express Mail Next Day Delivery items must be presented no later than the times authorized by the postmaster. Items mailed after the time authorized by the postmaster are accepted for delivery on the second day after mailing, subject to the standards for this service. Generally, items are delivered by noon or 3 p.m. on the next day.²³ The discontinuance of the Greeley Post Office will not affect the Express Mail Next Day Delivery service guarantee. The Petitioner can still receive this delivery guarantee by presenting the Express Mail items at the Edgewood, Manchester or Dyersville Post Offices prior to the time specified by the postmasters of those offices or by presenting it to the rural carrier who will be serving the Greeley community.

Whether the Express Mail guaranteed service would continue to be offered was a question asked and answered at the community meeting.²⁴ In sum, the Postal Service has considered the impact of closing the Greeley Post Office upon the provision of postal services to Greeley customers, including the Petitioner.

Effect Upon the Greeley Community

The Postal Service is obligated to consider the effect of its decision to close the Greeley Post Office upon the Greeley community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices,

²³ Domestic Mail Manual section 4.2.

²⁴ Item 25, p.2, Concern #6.

and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Greeley is an incorporated rural community located in Delaware County, which provides Greeley its police protection. The community is administered politically by a mayor and council form of government, with fire protection provided by the Greeley Fire Department. The United Methodist Church is located in the Greeley community.²⁵ The questionnaires completed by Greeley customers indicate that, in general, the residents of Greeley travel elsewhere for supplies and services other than postal services.²⁶

A concern was raised by the customers that there would be a detrimental effect on the businesses in their community if the Post Office were to close. The Postal Service considered the issue and responded to the concern, noting that regular and effective postal services would continue to be provided to all of its business customers in Greeley.²⁷

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Greeley Post Office on the community served by the Greeley Post Office.

²⁵ Item 18.
²⁶ Item 22.
²⁷ Item 33, p.10.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Greeley Post Office and would still provide regular and effective service.²⁸ The estimated annual savings associated with discontinuing the Greeley Post Office are \$33,099.²⁹

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). The Greeley Post Office, an EAS-11 level, provides retail service 33 hours a week to 85 Post Office Box and no general delivery customers. Daily retail window transactions average 43. There are no permit mailers and no postage meter customers.³⁰ According to the administrative record, a decline in population growth is expected, with no expectation of commercial growth.³¹

The Postal Service determined that carrier service is more cost-effective than maintaining the Greeley postal facility and postmaster position.³² The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic

²⁸ Item No. 21.

²⁹ Item Nos. 17, 18, and 33.

³⁰ Item No. 18.

³¹ Item No. 16.

³² FD at 8.

savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on January 1, 2010. A noncareer employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC will either be reassigned or she will be separated from service. The record shows that no other employee would be affected by this closing.³³ Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Greeley Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Greeley Post Office on the provision of postal services and on the Greeley community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A). Moreover, the specific reasons forming the basis of the Petitioner's appeal were addressed prior to the final determination.

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal

³³ Item No. 15.

Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Greeley customers.³⁴ The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Greeley Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Greeley Post Office be affirmed.

Respectfully submitted,

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³⁴ FD at 8.